

**New Jersey Turnpike Authority
Financial Summary
For the Two Months Ended February 28, 2015**

ACTUAL REVENUE - January - February	\$ 236,441,000
ESTIMATED REVENUE - March - December	1,441,318,000
<i>Projected Annual Revenue</i>	<u>\$ 1,677,759,000</u>
 ESTIMATED ANNUAL OPERATING EXPENSES	 485,593,100
<i>Projected Net Revenue</i>	<u>\$ 1,192,165,900</u>
 DEBT SERVICE REQUIREMENTS	 687,820,300
CHARGES FUND	1,150,000
SPECIAL PROJECT RESERVE FUND	20,900,000
MAINTENANCE RESERVE FUND	87,058,000

The following un-audited results are for the two months ended February 28, 2015.¹ Based upon these results, revenues will be sufficient to satisfy the requirements of the Authority's Bond Resolution. For the twelve months ending December 31, 2015, the Authority is projected to have a debt service coverage ratio of 1.73 and a total requirements coverage ratio of 1.50.

The Authority's total revenue for the two months ended February 28, 2015 was \$236,441,000, which is \$9,697,000, or 3.9%, below projections. Toll revenue was \$203,970,000, which is \$10,341,000, or 4.8%, less than projections due in part to the coldest winter in New Jersey since the 1993-1994 winter season. In addition to the cold weather, January had above normal precipitation and a declared state of emergency weather event with winter storm Juno. Toll revenue loss attributed to this one storm is estimated at \$4,239,000. The lower than projected toll revenue was partially offset by higher than anticipated concession revenue. Concession revenue, which totaled \$5,760,000, was \$782,000, or 15.7% above projections due to higher than expected commissions received on diesel fuel sales on the New Jersey Turnpike.

For the two months ended February 28, 2015, traffic on the New Jersey Turnpike increased 7.5% and toll revenue increased 7.4% as compared to the same period in 2014. The increases in traffic and revenue are due to comparatively worse weather conditions in January and February 2014 and lower gas prices in 2015. Traffic and revenue were negatively impacted by winter storm Juno. The storm resulted in 684,000 fewer transactions and \$3,067,000 in lower revenue when compared to the same days last year. When eliminating this storm, traffic and revenue would have increased 10.1% and 10.0%, respectively. CDM Smith, the Authority's traffic engineer, released an investment grade study in May 2014 projecting annual traffic and revenue growth in 2015 of 3.7% and 3.6%, respectively. The adjusted results are slightly under CDM Smith's projected increase for the two months ended February 2015 of 12.1% for traffic and 11.2% for revenue. Through the first two (2) months of 2015, E-ZPass usage rate on the New Jersey Turnpike was 82.4%, up slightly from 82.3% for the same period in 2014.

For the two months ended February 28, 2015, toll transactions on the Garden State Parkway increased 2.4% and revenue increased 1.8% when compared to the same period in 2014. Toll transactions and revenue increased due to more severe weather conditions in January 2014 and declining gas prices. As with the New Jersey Turnpike, toll transactions and revenue were negatively impacted by winter storm Juno, resulting in 1,083,000 fewer toll transactions and \$1,172,000 in lower revenue. When adjusting for this storm, Parkway traffic and revenue would have increased 4.7% and 4.1%, respectively. CDM Smith's 2015 forecast projected annual increases of 2.6% for both toll transactions and revenue on the Garden State Parkway. The adjusted results for the Parkway are lower than the CDM Smith projected increases of 11.2% for both toll transactions and revenue for the period. Through February, the 2015 E-ZPass usage rate on the Garden State Parkway was 78.7%, up from 78.5% for the same period in 2014.

Operating expenses for the two months ended February 28, 2015 were approximately \$93,677,000, which was 115.8% of the year-to-date budget. The Authority has spent \$23.1 million from its operating budget for snow removal costs. Consequently, the Authority has already exceeded its \$14.1 million annual operating budget for snow and severe weather costs. The Authority has also spent an additional \$7.5 million from the General Reserve Fund for snow removal. There is a remaining balance of \$7.5 million in the General Reserve Fund for Extraordinary Snow Removal. The annual budget for snow and severe weather costs is determined based upon the five-year rolling average for such costs. State of Emergency weather events are budgeted and charged to the General Reserve Fund, with all other events are budgeted and charged to operating expense. Discretionary spending and budgetary guidelines will be closely monitored and adhered to throughout the remainder of the year in order to control operating expenses.

The Capital Budget consists of Supplemental Capital, Maintenance Reserve, and Special Project Reserve Funds. For the two months ended February 28, 2015, total expenditures were approximately \$5,583,000. Expenditures included \$1,566,000 for Turnpike Bridge Repairs, \$808,000 for Major Fleet Augmentation and \$697,000 for Roadway Widening Equipment. There are current commitments in the Capital Budget of \$58,934,000. In addition to the Capital Budget, the General Reserve Fund expenses totaled approximately \$12,698,000 and consisted primarily of \$7,500,000 for Extraordinary Snow costs related to winter storm Juno.

Total expenditures in the Construction Fund for the two months ended February 28, 2015 were approximately \$77,852,000. Expenses included \$26,264,000 for the Turnpike Interchange 14A Reconstruction, \$10,640,000 for the Widening of GSP Interchange 35 – 63, \$7,690,000 for the Facilities Improvements Phase II and \$6,125,000 for the Parkway 83 – 100 Mainline Shoulder Improvement project. In addition to these expenditures, there are open contracts and commitments totaling approximately \$1,411,959,000.

¹ These are un-audited results. Amounts and categories of revenue and expenses may change when audited.